



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

MAR 23 2007

T:EP:RA:UK

Re:

Dear

This letter constitutes notice that:

- (1) waivers of the 10 percent excise tax due under section 4971(f)(1) of the Internal Revenue Code ("Code") have been granted with respect to the liquidity shortfall experienced by the Plan for the first and fourth quarters of the plan year ending December 31, and for all four quarters of the plan year ending December 31, and,
- (2) a waiver of the 100 percent tax under section 4971(f)(2) of the Code has been granted with respect to the liquidity shortfall experienced by the Plan for the fourth quarter of the plan year ending December 31,

The waivers of the 10 percent tax and the 100 percent tax have been granted in accordance with section 4971(f)(4) of the Code. For any quarter for which a waiver has been granted, the amount of the waiver is equal to 10 percent or 100 percent, as applicable, of the amount of the excess of (1) the liquidity shortfall of the Plan (as determined under section 412(m)(5)(E) of the Code) for the quarter, over (2) the aggregate amount of any contributions paid in the form of liquid assets which served to reduce the liquidity shortfall for the quarter and which were paid to the Plan between the last day of the quarter and the due date of the required installment under section 412(m) for such quarter.

The liquidity shortfall for the Plan arose as a result of the inability of the Company to satisfy the liquidity requirement of section 412(m)(5) of the Code for the quarters ending March 31, December 31, March 31, June 30, September 30, and December 31,

The Plan is a single employer defined benefit plan with a plan year ending December 31.

The Company is a communication networking company. The Company sponsors the Plan for the benefit of certain employees of its related Company, Sub A. Actuary 1 was the Plan's enrolled actuary from through a portion of Actuary 2 became the Plan's enrolled actuary in and remains in that capacity through the present time.

Beginning in Sub A began experiencing a series of reductions in force. As a result, a number of Plan participants terminated employment and their benefits became distributable. In many instances, the benefits were distributed in the form of single sum payments. These single sum payments not only reduced the amount of liquid assets in the Plan, but also increased the amount of liquid assets required to be maintained under section 412(m)(5) of the Code. Ultimately, the Plan experienced liquidity shortfalls as described in the table above. There have been no liquidity shortfalls since December 31, and the Company has continued to make the necessary contributions to satisfy the liquidity requirements under section 412(m)(5) of the Code.

Actuary 1 was aware of Sub A's reductions in force and that significant distribution payments were being made from the Plan. Hence, Actuary 1 should have been aware of the potential for a liquidity shortfall in the Plan. However, Actuary 1 did not make liquidity requirement calculations and never informed the Company about any potential for a liquidity shortfall in the Plan. In fact, in completing the Schedule B (Actuarial Information) of Form 5500 for the plan year ending December 31, Actuary 1 did not complete line 4(b) concerning the Plan's liquidity shortfall for each quarter of the plan year as required by the instructions to this form.

Actuary 2 became the enrolled actuary for the Plan in but did not discover the liquidity shortfalls in question until late at which time the shortfalls were brought to the Company's attention. Since no liquidity shortfalls have arisen since, the Company has not needed to make additional contributions to meet the liquidity requirements of section 412(m)(5) of the Code. Shortly after learning of the liquidity shortfalls, the Company retained legal counsel to prepare and submit this ruling request. The Company has continued to make all required quarterly contributions for the and plan years.

Based on the information submitted with the request, the liquidity shortfall arose as a result of significant reductions in force at Sub A and the resulting disbursement of benefits from the Plan. Neither Actuary 1 nor Actuary 2 notified the Company about a

potential liquidity shortfall until Actuary 2 brought it to the Company's attention in late By the time the Company was made aware of the liquidity shortfalls in question, there was no longer a liquidity shortfall in the Plan. These facts indicate that the liquidity shortfall was due to reasonable cause and not willful neglect. Furthermore, by continuing to make the required quarterly contributions to the Plan in and the Company took reasonable steps to remedy the liquidity shortfall.

Based on the information above we conclude that the liquidity shortfalls experienced by the Plan for the quarters ending March 31, December 31, March 31, June 30, September 30, and December 31, were due to reasonable cause and not willful neglect and that reasonable steps were taken to remedy such liquidity shortfalls.

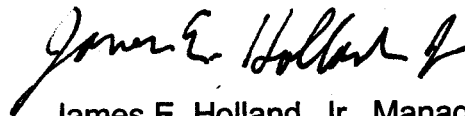
This ruling is made with the understanding that all the representations made pursuant to this request are accurate. If such representations made pursuant to this request are not accurate, the Company may not rely upon this ruling letter.

This ruling is directed only to the taxpayer that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent.

We have sent a copy of this letter to the and to your authorized representative pursuant to a power of attorney on file in this office.

If you require further assistance in this matter, please contact

Sincerely yours,



James E. Holland, Jr., Manager
Employee Plans Technical